

DEPARTMENT OF STATE REVENUE
LETTER OF FINDINGS NUMBER: 03-0059P
Gross Income Tax
Fiscal Year Ended 09-30-2000

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer was assessed a late payment penalty and a penalty for failing to remit estimated taxes. Taxpayer had a tax liability of \$11, 339.84. Taxpayer requests an abatement of the penalties.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer states it changed its mailing address twice and went through an acquisition that involved significant changes in recordkeeping, as well as changes in personnel. As a result of those circumstances, and other factors, the company was not able to estimate its Indiana State tax liability until the 2000 year tax return was filed. Taxpayer paid the tax liability in full with the return and paid the interest on August 14, 2002. Taxpayer requests a penalty waiver on its account.

Taxpayer was assessed a penalty for the late payment of its income taxes which it remitted on September 17, 2001. The due date was January 15, 2001. Taxpayer has not provided reasonable cause to allow the waiver.

Taxpayer was also assessed a penalty for the underpayment of quarterly estimated taxes. Taxpayer made no attempt to pay quarterly taxes. The only payment on record is a carryover from a previous year that amounted to eight percent (8%) of the total tax.

45 IAC 15-11-2(b) states, “Negligence, on behalf of the taxpayer is defined as the failure to use such reasonable care, caution, or diligence as would be expected of an ordinary reasonable taxpayer. Negligence would result from a taxpayer’s carelessness, thoughtlessness, disregard or inattention to duties placed upon the taxpayer by the Indiana code or department regulations. Ignorance of the listed tax laws, rules and/or regulations is treated as negligence. Further, failure to read and follow instructions provided by the department is treated as negligence. Negligence shall be determined on a case by case basis according to the facts and circumstances of each taxpayer.”

Taxpayer has not provided reasonable cause to allow penalty waivers.

FINDING

Taxpayer’s protest is denied.